



DAN E ARNETT CHIEF OF STAFF

Phone: (803) 737-0800 Fax: (803) 737-080]

July 13, 2005

VIA HAND DELIVERY

Charles L.A. Terreni, Esquire Chief Clerk/Administrator **South Carolina Public Service Commission** 101 Executive Center Dr., Suite 100 Columbia, SC 29210

> Application of Haig Point Utility Company, Inc. for Approval of an Re:

Adjustment in Rates and Charges for Water and Sewer Services

Docket No. 2005-34-W/S

Dear Mr. Terreni:

Enclosed for filing please find an Errata Sheet for the Direct Testimony of Dr. Douglas Carlisle. Please date stamp the extra copy enclosed and return it to me via our courier.

Also, by this letter, we are serving the same on Counsel for the Applicant and Counsel for the Intervenors. Enclosed is a Certificate of Service to this effect.

Please let me know if you have any questions.

Sincerely,

Wendy B. Cartledge
Wendy B. Cartledge

WBC/sbh Enclosure

G. Trenholm Walker, Esquire (w/enclosures) cc:

John F. Beach, Esquire (w/enclosures)

BEFORE

THE PUBLIC SERVICE COMMISSION

OF SOUTH CAROLINA

DOCKET NO. 2005-34-W/S

IN RE: Application of Haig Point Utility Company, Inc. for Approval of an)	
Adjustment in Rates and Charges)	CERTIFICATE OF SERVICE
For Water and Sewer Services)	
+ T- 11 W- T	_ /	

This is to certify that I, Rena Grant, an employee with the Office of Regulatory Staff, have this date served one (1) copy of the ERRATA SHEET FOR THE DIRECT TESTIMONY OF DR. DOUGLAS CARLISLE in the above-referenced matter to the person(s) named below:

VIA ELECTRONIC MAIL AND U.S. MAIL

G. Trenholm Walker, Esquire

Pratt-Thomas, Epting & Walker, P.A.

Post Office Drawer 22247

Charleston, SC 29413

VIA ELECTRONIC MAIL AND HAND DELIVERY

John F. Beach, Esquire

Ellis Lawhorne & Sims, P.A.

Post Office Box 2285

Columbia, SC 29202

Rena Grant

Pena Dvant

July 13, 2005 Columbia, South Carolina

1	ERRATA SHEET FOR DOUGLAS H. CARLISLE, JR.
2	FOR
3	THE OFFICE OF REGULATORY STAFF
4	DOCKET NO. 2005-34-WS
5	IN RE: HAIG POINT UTILITY COMPANY, INC.
6	
7	
8	The following changes are made to my Direct Testimony and Exhibits:
9	Direct Testimony
10	Page 3, line 20 "STRUCTURE DID YOU ADOPT FOR YOU ANALYSIS?"
11	should read "STRUCTURE DID YOU ADOPT FOR YOUR ANALYSIS?"
12	Page 4, line 11: "\$7,345" should be changed to "\$23,769"
13	Page 9, line 7, "inflation-index" should read "inflation-indexed"
14	Page 10, line 12, "I took my" should read "I took the"
15	Exhibits
16	Exhibit DHC-1 should be replaced by the revised version, DHC-1 REVISED,
17	attached.
18	Exhibit DHC-3 should be replaced by the revised version, DHC-3 REVISED,
19	attached.
20	Exhibit DHC-8: pages 2 & 3 of 3 should be removed and the attached pages
21	inserted.

HAIG POINT UTILITY COMPANY (HPUC): CAPITAL

WEIGHTED COST	\$92,367 \$118,845
WEIGHTED COST %	3.75% 4.83% 8.58%
EMBEDDED COST	7.50% 9.65%
RATIO	20%
RATE BASE	\$1,231,555 \$1,231,555 \$2,463,109
DESCRIPTION	Debt Equity

HAIG POINT UTILITY COMPANY (HPUC): CAPITAL USING INTERNATIONAL PAPER'S CAPITAL STRUCTURE

DESCRIPTION	RATE BASE	RATIO	EMBEDDED COST	WEIGHTED COST %	WEIGHTED
Debt Equity	\$1,231,555 \$1,231,555 \$2,463,109	60% 40%	7.50% 9.65%	4.50%	\$110,840 \$95,076
Equity under 50-50 Equity under 60-40 Difference	0 structure 0 structure	\$118,845 \$95,076 \$23,769			

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HAIG POINT UTILITY COMPANY (HPUC): CAPITAL CHANGE IN RATE BASE NECESSARY TO MEET HPUC ROE TARGET

WEIGHTED COST	\$110,061 \$141,612	\$141,612 \$471,855
WEIGHTED WI COST %	3.75% 4.83%	C target
EMBEDDED	7.50% 9.65%	ent to meet HPU
RATIO	50%	from equity
RATE BASE	\$1,467,482 \$1,467,482 \$2,934,964	HPUC target revenue from equity
DESCRIPTION	Debt Equity	

HAIG POINT UTILITY COMPANY (HPUC): CAPITAL

GET	WEIGHTED COST	\$92,367 \$141,612
ETURN TAR	WEIGHTED COST %	3.75% 5.75%
UC EQUITY R	EMBEDDED COST	7.50%
ro <i>Meet h</i> f	RATIO	50%
NECESSARY TO MEET HPUC EQUITY RETURN TARGET	RATE BASE	\$1,231,555 \$1,231,555 \$2,463,109
CHANGE IN ROE	DESCRIPTION	Debt Equity

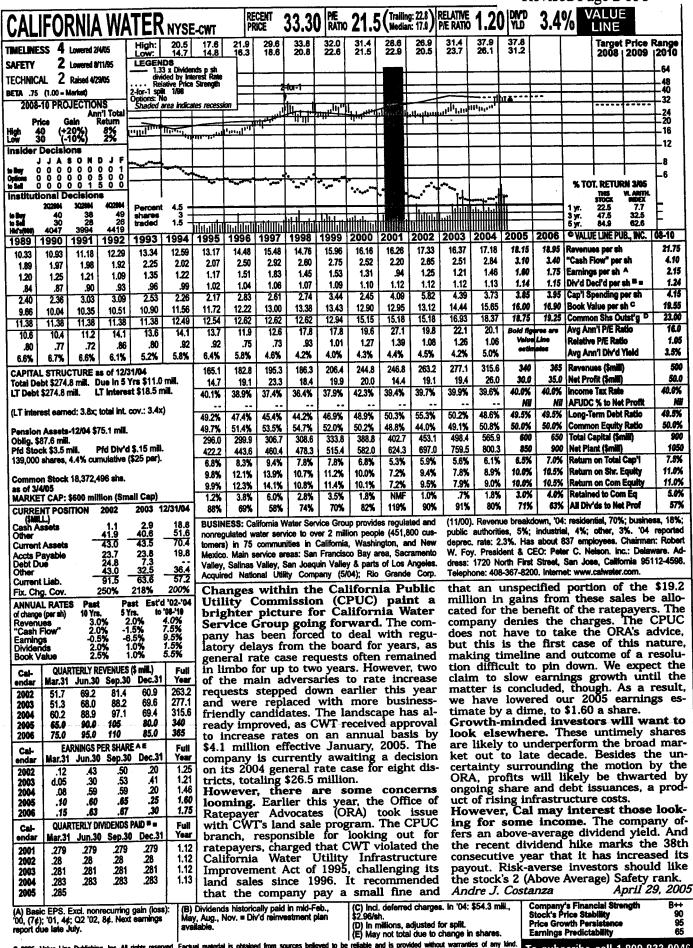
PROXY GROUP OF WATER COMPANIES

TEN-YEAR	D.C.F.	RETURN ON TH	[2] EQUITY [3] RETURNS [1]	52.3% 10.02% 13.5%		0/00./	50.8% 8.05% 13.4%	40.0% 11.40% 18.2%	0/01:17	56.0% 6.40% 13.4%	44 0% 9 40% 14.4%		56.0% 10.80% 18.2%	50.6% Q 50% 20.6%	2000	57.0% 8.50% 15.0%	40, 300000000000000000000000000000000000	57.1% ************************************	19.6 W	701 O 100	
	COMMON	STOCK RATIO	TO CAPITAL [2]	52		20.	50.	40	į	56.	44	•	56.	C L		57.	L	57.	46	į	
		CAPITALIZATION	(\$millions) [1]				629			198			425			152		31	77	5	
	SALES	(\$millions)	[1]	100	107	456	316		9	49	. [7.7	169	1 7	CKI	93	3	10		23	
		REI.ATIVE	SIZE	1000	LAKGE	LARGE	TADGE		MEDIOM	MEDITIM	MOIOTAI	MEDIOM	MEDITIM	MOTOTINI	MEDIOM	MEDITIM	MEDICIM	SMALL		SMALL	
			THE ACTUAL CONTRACTOR	WALER COMFAIN	AMERICAN STATES	AOITA AMERICA		CALIFORNIA WAIEN	ARTESIAN	CONTRICT IN WATER SEDVICE	CONNECTION WATER SERVICE	MIDDLESEX WATER		™	SOUTHWEST	110011	YOKK	DIII	DIW	PENNICHUCK	

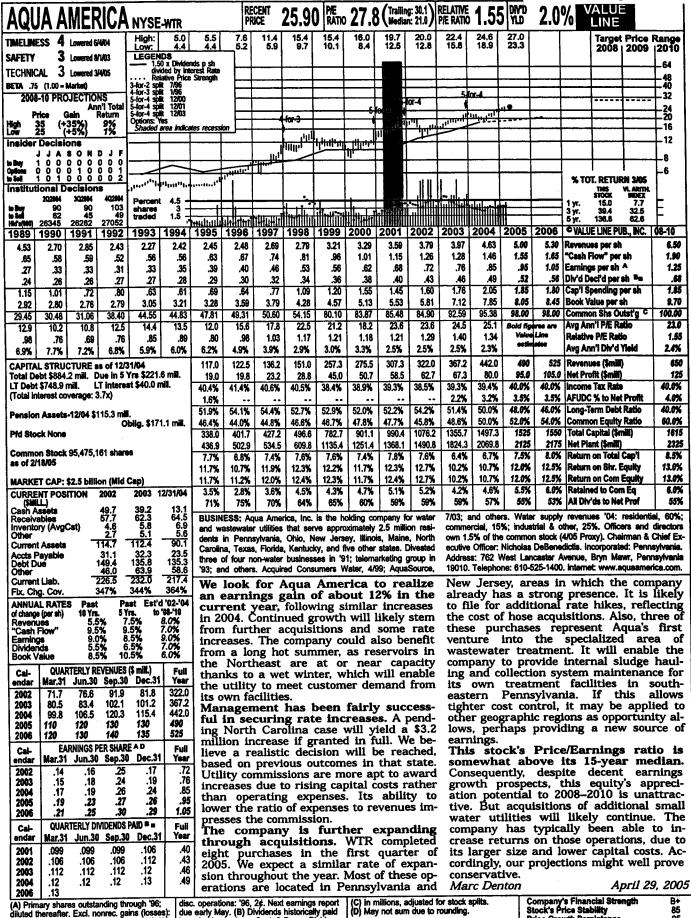
[1] Source for Sales, Capitalization & Total Returns: Morningstar, as of 5/31/05

[2] Sources for Common Stock to Capital: Value Line and Securities & Exchange Commission, Form 10-K [3] Source for D.C.F. R.O.E.: Exhibits DHC-5,6,7&8

Source for Sales, Capitalization & Total Returns: Morningstar, TTM, as of 5/31/05



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(A) Primary shares outstanding through '96; diluted thereafter. Excl. nonrec. gains (losses): '90, (38¢); '91, (34¢); '92, (38¢); '99, (11¢); '00, 2¢; '01, 2¢; '02, 5¢; '03, 4¢. Excl. gain from

disc. operations: '96, 2¢. Next earnings report due early May. (B) Dividends historically paid in early March, June, Sept. & Dec. = Div'd. reinvestment plan available (5% discount).

Price Growth Persistence 95 **Earnings Predictability** 100

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